



3Q Results for FY2019 Supplementary Materials

**February 7, 2020
Benesse Holdings, Inc.**

Forward-Looking Statements



This presentation contains forward-looking statements concerning the future plans, strategies, beliefs and performance of Benesse Holdings, Inc. and its subsidiaries. These forward-looking statements are not historical facts. They are expectations, estimates, forecasts and projections based on information currently available to the Company and are subject to a number of risks, uncertainties and assumptions. As such, actual results may differ materially from those projected.

Results by Segment (YoY)



Nine months ended December 31

(Millions of Yen)

	FY2018	FY2019	Change	%
Domestic Education	139,030	149,581	10,551	7.6
Global Kodomo Challenge	42,193	42,340	146	0.3
Nursing Care and Childcare	86,904	91,840	4,935	5.7
Berlitz	37,458	34,712	(2,746)	(7.3)
Others	18,419	18,086	(332)	(1.8)
Total Net Sales	324,007	336,562	12,554	3.9
Domestic Education	8,846	14,881	6,034	68.2
Global Kodomo Challenge	3,901	3,701	(199)	(5.1)
Nursing Care and Childcare	8,535	8,768	233	2.7
Berlitz	(3,098)	(2,195)	902	—
Others/Reconciliations	(2,657)	(2,062)	595	—
Total Operating Income	15,527	23,093	7,566	48.7
Ordinary Income	12,643	20,026	7,382	58.4
Net Income	6,582	13,181	6,599	100.3

Analysis of Net Sales/Operating Income (YoY)



(Billions of Yen)

Net Sales	Domestic Education	Shinkenzemi : Impact of the price revision, etc	3.1
		School & Teacher Support / Consolidates Classi Corp. and EDUCOM Corp.*, etc	5.0
		Cram schools / English education, etc	2.4
	Global Kodomo Challenge	Japan : Impact of the price revision, etc	0.6
		Overseas : Impact of the price revision in China / Decrease in cumulative enrollment in Taiwan, etc Foreign exchange rate impact	0.9 (1.4)
Nursing Care and Childcare	Increase in nursing home residents, etc	4.9	
Berlitz	BTS : Impact of franchising conversion in Scandinavia and liquidation of business in France, etc ELS : Due to sales of business in Australia, etc	(1.4)	
	Foreign exchange rate impact	(1.3)	
Operating Income	Domestic Education	Shinkenzemi	4.7
		Due to higher sales of School & Teacher Support and cram schools / Increase investment, etc	1.3
	Global Kodomo Challenge	Japan : Increase in marketing costs, etc	(0.1)
		Overseas : Due to higher sales / Increase in marketing costs / Foreign exchange rate impact (-0.2), etc	(0.0)
	Nursing Care and Childcare	Due to higher sales, etc	0.2
Berlitz	Due to lower sales / Lower costs by restructuring effect / Foreign exchange rate impact (+0.1), etc	0.9	
Others/Reconciliations	Reduced costs for mail-order and publishing business, etc	0.5	

*The company converted Classi Corp. and EDUCOM Corp. into consolidated subsidiaries as of January 8, 2019.

FY2019 Forecast



Forecast announced on May 10, 2019 has not been changed. (Millions of Yen)

	FY2018	FY2019 (Forecast)	Change	%
Net Sales	439,431	459,000	19,569	4.5
Operating Income	16,245	20,000	3,755	23.1
Operating Income ratio(%)	3.7	4.4	0.7	—
Ordinary Income	12,150	16,000	3,850	31.7
Net Income	4,902	9,500	4,598	93.8
Exchange Rate(USD/JPY)	110.57	110.00	(0.57)	—

FY2019 Forecast by Segment



Forecast announced on May 10, 2019 has not been changed.

(Millions of Yen)

	FY2018	FY2019 (Forecast)	Change	%
Domestic Education	192,064	204,300	12,236	6.4
Global Kodomo Challenge	56,443	58,700	2,257	4.0
Nursing Care and Childcare	116,999	121,800	4,801	4.1
Berlitz	49,275	49,400	125	0.3
Others	24,647	24,800	153	0.6
Total Net Sales	439,431	459,000	19,569	4.5
Domestic Education	10,055	14,300	4,245	42.2
Global Kodomo Challenge	3,258	3,500	242	7.4
Nursing Care and Childcare	11,396	10,400	(996)	(8.7)
Berlitz	(4,748)	(3,300)	1,448	—
Others/Reconciliations	(3,715)	(4,900)	(1,185)	—
Total Operating Income	16,245	20,000	3,755	23.1

Breakdown of Net Sales

Nine months ended December 31

(Millions of Yen)

	FY2018	FY2019	Change	%	Ratio(%)
Senior High School	9,883	9,341	(542)	(5.5)	6.2
Junior High School	19,321	20,428	1,106	5.7	13.7
Elementary School	37,986	42,267	4,281	11.3	28.3
School & Teacher Support	36,044	41,106	5,062	14.0	27.5
Other	35,795	36,437	642	1.8	24.3
Total	139,030	149,581	10,551	7.6	100.0

The company changed its accounting policy in following segments : School and Teacher Support and Other from the consolidated financial results for 3Q FY2019. There is no effect of this change in accounting policy for the 3Q of FY2018.

Nine months ended December 31

(Millions of Yen)

	FY2018	FY2019	Change	%	Ratio(%)
Domestic Kodomo Challenge (Preschool)	13,282	13,838	555	4.2	32.7
Overseas Kodomo Challenge (Preschool)	20,378	20,207	(171)	(0.8)	47.7
Other	8,532	8,294	(237)	(2.8)	19.6
Total	42,193	42,340	146	0.3	100.0

【 Cumulative Enrollment for Shinkenzemi 】

Nine months ended December 31

(Thousands)

	FY2018	FY2019	Change	%
Senior High School	1,172	1,086	(85)	(7.3)
Junior High School	3,351	3,229	(122)	(3.6)
Elementary School	10,113	10,350	236	2.3
Total	14,637	14,665	28	0.2

【 Cumulative Enrollment for Kodomo Challenge (Preschool) 】

(Thousands)

	FY2018	FY2019	Change	%
Domestic Kodomo Challenge (Preschool)	7,062	7,019	(43)	(0.6)
Overseas Kodomo Challenge (Preschool)	11,192	11,131	(61)	(0.5)
Total	18,254	18,150	(104)	(0.6)

Note: Cumulative enrollment represents the cumulative total No. of people who receive materials monthly from April to December. Cumulative enrollment for Kodomo Challenge in China and Indonesia represents the cumulative total No. of people who receive materials monthly from January to September, because their closing date is December 31st and its different from others.

	Dec. 2018	March. 2019	Sep. 2019	Dec. 2019
Aria	24	24	24	24
Clara	40	40	40	40
Granny & Granda	137	140	143	143
Madoka	57	57	57	57
Bon Sejour	45	45	46	47
Cocochi	14	14	14	14
Li-Re	2	2	2	2
Total	319	322	326	327

Nine months ended September 30

(Thousands of Lessons)

	2018	2019	%
Americas	1,008	846	(16.1)
Europe	2,155	1,981	(8.1)
Asia	1,223	1,216	(0.6)
Total	4,388	4,044	(7.8)

Years ended December 31 (Preliminary figures)

(Thousands of Lessons)

	2018	2019	%
Americas	1,309	1,123	(14.2)
Europe	2,913	2,594	(10.9)
Asia	1,614	1,599	(0.9)
Total	5,837	5,317	(8.9)